HEC ERIEFING

12 July 1955

Vietnam

- 1. 20 July, the date identified with the controversial preelection negotiations in Vietnam, falls on the third day of the Geneva talks. It is now obvious that no pre-election consultations will get under way on that date, and this may cause a major stir.
- II. Genova agreement states that such talks shall take place "from 20 July 1955 onward."
- on that date and during past month have been increasingly insistent that this provision be observed.
 - A. Two high Viet Minh officials and Soviet ambassador,

have hinted at "violent action" in

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south if consultations were delayed.

Pamphlets, apparently produced by the Communists, turned up in Saigon last week calling for demonstrations against the Diem regime and "American election sabateurs," but were completely ignored.

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IV.

Diem extremely reluctant to talk with Viet Minh, arguing:

- A. Vietnam not bound by Geneva agreements it did not sign.
- satisfactorily settled.
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- C. His government cannot make important commitments without approval of a national assembly, yet to be elected, September at earliest.
- D. Communists will not permit "truly fee" elections.
- F. A declaration for consultations would be regarded as

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Vietnamese people.

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- conference, and probably will come out in favor of unification through democratic elections, but not in accordance with Geneva accords and with no date specified.
- y. French legal experts agree with Communists that talks west-
 - A. Have indicated, however, that they will not sit in for South Vietnam, although Communists hold them responsible for carrying out Geneva agreements.
- VI. British also favor talks and are urging Dies not to disavow Genova.
 - A. Hold that talks are necessary so South Vietnam can prove to the world that Viet Mink would not agree to free elections.
 - B. Also agree with French that matter is not worth major crisis.
- VII. Ho Chi Minh is presently lining up Soviet and Chinese Communist support for Viet Minh position.
 - A. Sino-Viet Minh communique signed in Peiping on eve of No's departure for Moscow laid heavy emphasis on matter of 20 July consultation.
 - B. Chinese Communists subsequently equated Vietness elections with "liberation" of Formosa in relative importance.
 - Soviet-Viet Minh communique may be issued before or during summit conference. The Soviet leaders may breach the subject of elections at Geneva in the belief that they can bring pressure on the United States through the British and the French.

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D. Bulgamin-Nehru statement voiced concern over Indochina situation and placed Moscov and New Delhi on record in favor of strict implementation of Geneva Pact.

Cambodia

- I. The Chou-Ho joint communique also attacked our military aid agreement with Cambodia. Communists are tryingfto make major issue out of this.
- II. Indian and Polish members of ECC have informally concluded that certain passages of MDAP violate Geneva accords.
 - A. Essentially they question Cambodia's declaration of neutrality and promise not to seek foreign military aid except for defense.* See notes.
 - B. Commission, however, not likely to make formal ruling until Indian chairman receives instructions from Nehru who has just returned to Belbi.
 - C. While Indians may settle for clarifying statements emphasizing defensive nature of pact, indications are that Hebru--who has been worked over by Chou En-lai--is unfavorably disposed to it.

- III. Cambodian officials have given assurances that they will not back down.
 - A. These officials also assert that in the event of unfavorable ruling, government would hold a referendum and anticipated popular demand for United States aid would be considered to override ICC objections.
 - B. Prince Sihanouk, still the most powerful political leader in Cambodia, has taken same position.
- IV. Attitude of Cambodians likely to have moderating factor on Indians who regard Cambodia to lie within their sphere of influence.

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LAGS

- I. Pathet Lao attack on Muong Peun in northern Laos en 3 July was most recent and largest in scale of series of Communist-Inspired dashes since 1954 cease fire.
 - A. Latest reports indicate that royal forces have recaptured lost ground and that fighting has subsided.
 - B. Approximately 3,000 men or one-half of Pathet Lao forces are estimated to have been in general area of Muong Peun, although only a portion.are involved.
- II. Attack undoubtedly part of campaign to force ultimate withdrawal of royal forces from disputes provinces and to back up emborbitant demands put forward during negotiations in Vientiane.

- A. Immediate result of attack was suspension of talks by government.
- B. Prime Minister, who has bent ever backward to be conciliatory to Pathet Lao and to please Indians, issued strong statement denouncing Pathet Lao breach of Geneva agreement and Viet Minh for aiding aggressors.
- C. Leo government, however, has agreed to ICC preposals for consessive and indicates willingness to appoint menior officers to work with Pathet Lao representatives to implement agreement.
- D. Another instance of Prime Himister talking tough without altering policy of "appearement and conciliation" as he himself described it.
- III. Situation remains explosive as both sides have been building up military strength in Muong Peun area for several months.
 - At present the opposing forces appear to be about evenly matched. Government garrison at Muong Peun of 1800, has been reinforced by at least part of a parachute batallion (neveral hundred men), and is believed to have five power edge over more numerous Puthet Lao forces.
 - B. Pathet Lao, however -- aided by Viet Minh material and personnel -- is gradually increasing its military capabilities.